

**BEFORE THE TENNESSEE REGULATORY AUTHORITY AT
NASHVILLE, TENNESSEE**

June 21, 2005

IN RE:

**PETITION OF MADISON RIVER COMMUNICATIONS,
LLC TO TRANSFER OWNERSHIP AND CONTROL**

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**DOCKET NO.
05-00012**

ORDER APPROVING TRANSFER OF AUTHORITY

This matter came before Chairman Pat Miller, Director Deborah Taylor Tate and Director Ron Jones of the Tennessee Regulatory Authority (the "Authority" or "TRA"), the voting panel assigned to this Docket, at a Hearing held on February 3, 2005 for consideration of the *Petition for Authority to Transfer Ownership and Control* of Madison River Communications, LLC, (the "*Petition*") and the *Addendum* of Gulf Long Distance, Inc. (the "*Addendum*") seeking TRA approval of a transfer of authority to provide telecommunications services in Tennessee.

Background

By an order dated August 7, 2000, in Docket No. 00-00381, the TRA granted Madison River Communications, LLC ("Madison River") a Certificate of Public Convenience and Necessity ("CCN") as a competitive local and interexchange service provider. Additionally, on August 2, 1995, in Docket No. 95-02356, the TRA granted Gulf Long Distance, Inc. ("Gulf") a CCN as an interexchange telecommunications reseller and/or operator service provider for state-wide service in Tennessee.

The Petition and the Addendum

On January 11, 2005, Madison River filed a *Petition* seeking TRA approval of a transfer of authority. Subsequently, on January 24, 2005, Gulf filed an *Addendum* seeking a transfer of authority as well. Both Madison River and Gulf (together the “Companies”) are subsidiaries of Madison River Telephone Company, LLC. In the *Petition* and *Addendum*, the companies request approval for a transfer of authority to a holding company, Madison River Communications Corp. (“Madison Holding”). Madison Holding was formed through the sale of shares to the public, and it will become the ultimate parent of both Companies.

Madison River and Gulf will continue to provide services in Tennessee and will maintain their respective CCNs. The *Petition* and *Addendum* state that the transfer will be transparent to customers, and they will not experience an interruption in service. The proposed transaction will not adversely impact customers, and the Companies will continue providing services under the current rates, terms and conditions.

Statutory Framework

The transfer at issue in this docket is governed by Tenn. Code Ann. § 65-4-113 (2004). That provision requires a public utility to obtain TRA approval to transfer its CCN. Tenn. Code Ann. § 65-4-113(a) (2004) reads as follows:

No public utility, as defined in § 65-4-101, shall transfer all or any part of its authority to provide utility services, derived from its certificate of public convenience and necessity issued by the authority, to any individual, partnership, corporation or other entity without first obtaining the approval of the authority.

Tenn. Code Ann. § 65-4-113(b) (2004) provides the standards by which the TRA shall consider an application for transfer of authority, in pertinent part, as follows:

Upon petition for approval of the transfer of authority to provide utility services, the authority shall take into consideration all relevant factors, including, but not limited to, the suitability, the financial responsibility, and capability of the proposed transferee to perform efficiently the utility services to be transferred and

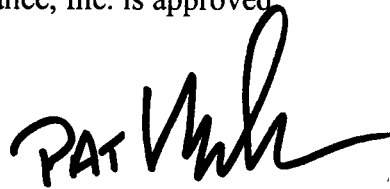
the benefit to the consuming public to be gained from the transfer. . . .

March 3, 2005 Hearing


Upon conclusion of Madison River and Gulf's proof in this case and the evidentiary record as a whole, the Hearing panel unanimously approved the transfer of authority as outlined in the *Petition* and the *Addendum*.

IT IS THEREFORE ORDERED THAT:

1. The *Petition* of Madison River Communications, LLC is approved.
2. The *Addendum* of Gulf Long Distance, Inc. is approved.



Pat Miller, Chairman



Deborah Taylor Tate, Director



Ron Jones, Director